

**JOE B. ADAMS**  
**CONSULTING GEOLOGIST**

September 2, 2004

Honorable James H. Welsh  
Commissioner of Conservation  
P.O. Box 94275  
Baton Rouge, Louisiana 70804-9275

Re: APPLICATION FOR PUBLIC HEARING  
SUB PILOT SAND, Reservoir A  
Angie Field  
Washington Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of the PETRO-VENTURES, INC. (Applicant") for the calling of a public hearing, after legal notice to consider evidence relative to the issuance of an order pertaining to the following matters relating to the SUB PILOT Sand, Reservoir A in the Angie Field, Washington Parish, Louisiana :

1. To establish rules and regulations for the exploration for and the production of Gas and condensate from the Sub Pilot sand, Reservoir A, in the Angie field, Washington Parish, Louisiana:
2. To create a single drilling and production unit of approximately 305 acres for the exploration for and the production of gas and condensate from the Sub Pilot Sand, Reservoir A in Angie Field, Washington Parish, Louisiana, as shown on the attached plat.
3. To force pool and integrate all separately owned tracts, mineral interest and other property interests within the units so created, with each tract sharing in unit production on a surface acreage basis of participation.
4. To designate Petro-Ventures, Inc as the operator for the proposed SUB PILOT RA SUA.
5. To designate the Petro-Ventures - Baughman No. 1 as the unit well for the proposed Sub Pilot RA SUA.

6. To provide that future wells drilled inside the SUB PILOT RA SU A shall be exempt from Statewide Order No. 29-E.
7. To consider such other matters as may be pertinent.

The Sub Pilot sand, Reservoir A in Angie Field, Washington parish, Louisiana is hereby defined as that gas and condensate bearing sand encountered between the depths of 8,850' and 8,860', (ELM) in the Petro-Ventures - Baughman No. 1 well, located in section 46, Township 1 South - Range 14 East, Washington Parish, Louisiana.

A conference to discuss the proposed application and any opposition thereto was held on Tuesday, August 31, 2004 at the Holiday Inn, South at 9940 Airline Highway, Baton Rouge, Louisiana. On behalf of the applicant, the proposed unit and the basis therefor were explained to those present. Representatives of offset acreage to the north suggested that a portion of the north line be moved to the north. A compromise was reached to move a portion of the north line to a distance of 330 feet from the proposed unit well. This compromise will allow the applicant to have a legal location for the proposed unit well. A suggestion was also made to rename the sand to avoid confusion with Upper Tuscaloosa Sands within the Eutaw interval.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties, as well as a list of those who attended the conference held on August 31, 2004. A copy of the unit plat is enclosed herewith, and a copy of this letter and the attached plat is being sent to the District Manager of the Lafayette District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties, as shown on the attached list.

Applicant will provide for POSTING of a copy of the legal notice of the hearing and the enclosed plat at a prominent place in the area affected and will cause the LEGAL NOTICE to be PUBLISHED in a newspaper of general circulation in the vicinity of the Angie Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice.

Commissioner of Conservation  
September 2, 2004

Page 3

Also enclosed is a check, in the amount of \$ 755.00, payable to the Louisiana Office of Conservation, which represents the required hearing fee.

Yours Very Truly,

A handwritten signature in cursive script that reads "Joe B. Adams". The signature is fluid and written in black ink.

Joe B. Adams

cc: Mr. Richard Hudson, District Manager  
Lafayette District, Office of Conservation  
All Interested Owners, Interested Parties and  
Represented Parties

